

I. Calculation of Distribution Deferred Taxes By Function - 1999

Total Electric Deferred Taxes (Per AG-2-6(c&d)-Page 1 of 2 - includes SFAS 109)	(9,273,651)
Less: <u>Deferred Taxes Associated with Generation Plant</u>	
Accum Def. FIT - Gain on Sale of New Haven Harbor	1,436,670
Accum Def. SIT - Gain on Sale of New Haven Harbor	274,500
Accum Def. Taxes on Current Purchased Power/Accrued Revenue	(1,788,064)
Accum Def. Taxes for Unrecovered Generation Assets	(264,830)
Total Deferred Taxes Associated with Generation Plant	<u>(341,724)</u>
Subtotal - Total Deferred Taxes Less Generation Related Deferred Taxes	(8,931,927) (A)

Calculation of Deferred Taxes Associated with Internal Transmission

Total Plant Per AG-2-6(a)	67,566,141	
Less: General Plant	1,169,560	
Less: Production Plant	11,695,184	
Subtotal	<u>54,701,397</u>	(B)
Transmission Plant	<u>5,449,195</u>	(C)
Internal Transmission Factor [(C) / (B)]	<u>10.00%</u>	(D)
Deferred Taxes on Internal Transmission [8,931,927 * .100] [(A)*(D)]		<u>(893,193)</u>
Total Deferred Taxes For Electric Distribution		<u>(8,038,734)</u>

II. Calculation of Distribution Deferred Taxes By Function - 2000

Total Electric Deferred Taxes (Per AG-2-6(c&d)-Page 2 of 2 - includes SFAS 109)	(11,311,593)
Less: <u>Deferred Taxes Associated with Generation Plant</u>	
Accum Def. FIT - Gain on Sale of New Haven Harbor	1,311,360
Accum Def. SIT - Gain on Sale of New Haven Harbor	250,558
Accum Def. Taxes on Current Purchased Power/Accrued Revenue	(3,802,793)
Accum Def. Taxes for Unrecovered Generation Assets	<u>(432,082)</u>
Total Deferred Taxes Associated with Generation Plant	<u>(2,672,957) (A)</u>
Subtotal - Total Deferred Taxes Less Generation Related Deferred Taxes	(8,638,636)

Calculation of Deferred Taxes Associated with Internal Transmission

Total Plant Per AG-2-6(a)	72,987,731	
Less: General Plant	1,310,727	
Less: Production Plant	11,695,184	
Subtotal	<u>59,981,820</u>	(B)
Transmission Plant	<u>5,960,823</u>	(C)
Internal Transmission Factor [(C) / (B)]	<u>9.90%</u>	(D)
Deferred Taxes on Internal Transmission [8,638,636 * .099] [(A)*(D)]		<u>(855,225)</u>
Total Deferred Taxes For Electric Distribution		<u>(7,783,411)</u>